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| ,  | By: <u>Canon</u> <u>S.B. No. 686</u>                               |
|    | A BILL TO BE ENTITLED  |
| 1  | AN ACT   |
| 2  | relating to the regulation of air conditioning and refrigeration   |
| 3  | technicians.   |
| 4  | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:            |
| 5  | SECTION 1. Section 1302.002, Occupations Code, is amended          |
| 6  | by adding Subdivisions (5-a) and (17) to read as follows:          |
| 7  | (5-a) "Air conditioning and refrigeration technician"              |
| 8  | means a person who assists a licensed air conditioning and         |
| 9  | refrigeration contractor in performing air conditioning and        |
| 10 | refrigeration maintenance work.                                    |
| 11 | (17) "Registered technician" means a technician who is             |
| 12 | registered with the department.                                    |
| 13 | SECTION 2. Chapter $1302$ , Occupations Code, is amended by        |
| 14 | adding Subchapter K to read as follows:                            |
| 15 | SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS       |
| 16 | Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not         |
| 17 | act as an air conditioning and refrigeration technician unless the |
| 18 | person holds a certificate of registration issued under this       |
| 19 | subchapter.  |
| 20 | (b) A certificate is valid throughout the state.                   |
| 21 | Sec. 1302.502. RULES. The executive director shall adopt           |
| 22 | rules:   |
| 23 | (1) registering technicians as prescribed by this                  |
| 24 | <pre>subchapter;</pre>   |

| _  | (2) deboring the doctivities that each class of                      |
|----|--|
| 2  | technician may perform under this subchapter;                        |
| 3  | (3) adopting standards of conduct for registered                     |
| 4  | technicians and license holders under this subchapter; and           |
| 5  | (4) establishing fees for issuance and renewal of a                  |
| 6  | certificate of registration.   |
| 7  | Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.             |
| 8  | (a) An air conditioning and refrigeration technician must be         |
| 9  | supervised by an air conditioning and refrigeration contractor       |
| 10 | licensed under this chapter.   |
| 11 | (b) A certificate holder shall notify the department in              |
| 12 | writing not later than the 30th day after the date on which a change |
| 13 | occurs in the identity of an air conditioning and refrigeration      |
| 14 | contractor who supervises the certificate holder.                    |
| 15 | Sec. 1302.504. APPLICATION; FEE. (a) An applicant for a              |
| 16 | certificate must submit an application on a form prescribed by the   |
| 17 | executive director.  |
| 18 | (b) The completed application must be accompanied by:                |
| 19 | (1) the application fee; and   |
| 20 | (2) the name and license number of each air                          |
| 21 | conditioning and refrigeration contractor who will supervise the     |
| 22 | applicant.   |
| 23 | (c) The department may examine any criminal conviction,              |

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guilty plea, or deferred adjudication of an applicant, including

obtaining any criminal history record information permitted by law.

receipt of a completed application, the department shall issue a

Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On

- 1 certificate to an applicant who meets the requirements of this
- 2 <u>subchapter</u>.
- 3 (b) A certificate is valid for one year from the date of
- 4 issuance.
- 5 Sec. 1302.506. RENEWAL OF REGISTRATION. To renew a
- 6 <u>certificate a certificate holder must:</u>
- 7 (1) submit a renewal request on a form prescribed by
- 8 the executive director;
- 9 (2) provide the name and license number of each air
- 10 conditioning and refrigeration contractor who will supervise the
- 11 certificate holder; and
- 12 (3) pay the required renewal fee.
- SECTION 3. Not later than December 31, 2005, the executive
- 14 director of the Texas Department of Licensing and Regulation shall
- 15 adopt rules implementing Subchapter K, Chapter 1302, Occupations
- 16 Code, as added by this Act.
- SECTION 4. (a) Except as provided by Subsection (b) of this
- 18 section, this Act takes effect September 1, 2005.
- 19 (b) Sections 1302.501 and 1302.503, Occupations Code, as
- added by this Act, take effect June 30, 2006.

## **BILL ANALYSIS**

Senate Research Center 79R4630 MSE-F

S.B. 686 By: Carona Business & Commerce 3/3/2005 As Filed

#### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Current law requires a person to have three years of air conditioning technician experience in order to qualify for a heating, ventilation, air conditioning, and refrigeration (HVACR) license. However, there is no mechanism for the Texas Department of Licensing and Regulation (department) to verify the length of time a technician has been engaged in the HVACR industry.

As proposed, S.B. 686 requires air conditioning technicians to register annually with the department. Technicians will receive an identification card noting their status as a registered HVACR technician. In addition, S.B. 686 requires the department to conduct criminal background checks of all technicians who register, at the time of initial registration, and annually as registrations are renewed. This legislation will bring the HVACR industry more in line with the recognized structures of other trades such as plumbing and electrical contractors.

#### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Texas Department of Licensing and Regulation in SECTION 2 (Section 1302.502, Occupations Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1302.002, Occupations Code, by adding Subdivisions (5-a) and (17) to define "air conditioning and refrigeration technician" and "registered technician."

SECTION 2. Amends Chapter 1302, Occupations Code, by adding Subchapter K, as follows:

#### SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

Sec. 1302.501. REGISTRATION REQUIRED. Prohibits a person from acting as an air conditioning and refrigeration technician unless the person holds a certificate of registration issued under this subchapter. Provides that a certificate is valid throughout the state.

Sec. 1302.502. RULES. Requires the executive director of the Texas Department of Licensing and Regulation (executive director) to adopt certain rules relating to registered technicians and license holders under this chapter.

Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS. (a) Requires an air conditioning and refrigeration technician to be supervised by an air conditioning and refrigeration contractor licensed under this chapter.

(b) Requires a certificate holder to notify the Texas Department of Licensing and Regulation (department) in writing not later than the 30th day after the date on which a change occurs in the identity of an air conditioning and refrigeration contractor who supervises the certificate holder.

Sec. 1302.504. APPLICATION; FEE. (a) Requires an applicant for a certificate to submit an application on a form prescribed by the executive director.

- (b) Requires the completed application to be accompanied by an application fee and certain information about the supervising contractor.
- (c) Authorizes the department to examine any criminal conviction, guilty plea, or deferred adjudication of an applicant, including obtaining any criminal history record information permitted by law.

Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. Requires the department, on receipt of a complete application, to issue a certificate to an applicant who meets the requirements of the subchapter. Provides that a certificate is valid for one year.

Sec. 1302.506. RENEWAL OF REGISTRATION. Requires a certificate holder to complete certain steps in order to renew a certificate.

SECTION 3. Requires the executive director to adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act, not later than December 31, 2005.

SECTION 4. Effective date: September 1, 2005, excepting Sections 1302.501 and 1302.503, Occupations Code, which take effect June 30, 2006.

(In the Senate - Filed February 23, 2005; March 2, 2005, read first time and referred to Committee on Business and Commerce; April 6, 2005, reported adversely with formally 1-2 1-3 1-4 April 6, 2005, reported adversely, with favorable Committee 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 6, 2005, 1-6 sent to printer.) 1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 686 By: Carona A BILL TO BE ENTITLED 1-8 1-9 AN ACT 1-10 relating to the regulation of air conditioning and refrigeration technicians; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 1-11 1-12 SECTION 1. Section 1302.002, Occupations Code, is amended by adding Subdivisions (5-a), (5-b), and (17) to read as follows:

(5-a) "Air conditioning and refrigeration technician"
means a person who assists a licensed air conditioning and refrigeration contractor in performing air conditioning and 1-13 1-14 1-15 1-16 1-17 refrigeration maintenance work.
(5-b) "Certified technician" 1-18 1-19 <u>registered</u> means technician who has completed a certification examination.

(17) "Registered technician" means a technician who is 1-20 1-21 1-22 registered with the department. SECTION 2. Section 1302.101, Occupations Code, is amended 1-23 1-24 by adding Subsection (e) to read as follows: (e) The department may examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law. 1-25 1-26 1-27 1-28 1-29 SECTION 3. Section 1302.263, Occupations Code, is amended 1-30 to read as follows: 1-31 Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED 1-32 TECHNICIAN. A person licensed under this chapter may not: 1-33 (1) perform or offer or attempt to perform an act, 1-34 service, or function that is: 1-35 (A) [(1)] defined as the practice of engineering 1-36 under Chapter  $10\overline{01}$ , unless the person holds a license under that 1-37 chapter; 1-38 (B) [<del>(2)</del>] regulated under Chapter 113, Natural 1-39 Resources Code, unless the person holds a license or is exempt by rule under that chapter; or 1-40 1-41 (C)  $[\frac{(3)}{(3)}]$ defined as plumbing under Chapter 1-42 1301, unless the person holds a license under that chapter; or 1-43 (2) use the services of a person who is not technician to assist in the performance of air 1 - 44registered conditioning and refrigeration maintenance work.

SECTION 4. Subsection (a), Section 1302 1-45 (a), 1 - 46Section 1302.401, Occupations Code, is amended to read as follows: 1-47 1-48 (a) A person is subject to the denial of an application, the 1-49 imposition of an administrative penalty under Subchapter F, Chapter 1-50 51, or disciplinary action under Section 51.353 if the person: 1-51 (1)violates this chapter or a rule adopted under this 1-52 chapter; or 1-53 violates [is convicted of an offense under] a (2) municipal ordinance adopted under Section 1302.303. 1-54 1-55 SECTION 5. Section 1302.402, Occupations Code, is amended 1-56 to read as follows: 1-57 Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for

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2001, Government Code.

adding Subchapter K to read as follows:

the denial of a license or registration application or disciplinary

action and an appeal from that proceeding are governed by Chapter

SECTION 6. Chapter 1302, Occupations Code, is amended by

C.S.S.B. No. 686

SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may act or offer to act as an air conditioning and refrigeration technician unless the person is registered under this subchapter.

A registration is valid throughout the state. (b)

1302.502. RULES. The executive director shall adopt rules:

<u>(1</u>) registering technicians as prescribed by this subchapter;

(2) adopting standards of conduct for\_ registered

technicians and license holders under this subchapter; and
(3) establishing fees for issuance and renewal

registration. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS. Sec. (a) An air conditioning and refrigeration technician must be supervised by an air conditioning and refrigeration contractor licensed under this chapter.

(b) A supervising air conditioning and refrigeration contractor shall notify the department in writing not later than

the 30th day after the date on which the contractor begins

supervising a registered technician. (c) An air conditioning and refrigeration contractor must notify the department of the name and registration number of any registered technician for whom the contractor provided notice under Subsection (b) that the contractor no longer supervises on each

application for renewal of the contractor's license.

Sec. 1302.504. APPLICATION; FEE. (a) An applicant for registration must submit an application on a form prescribed by the

executive director.

(b) The completed application must be accompanied by:

(1) the application fee; and

(2) number of the name and license air each conditioning and refrigeration contractor who will supervise applicant.

1302.505. ISSUANCE AND TERM OF REGISTRATION. receipt of a completed application, the department shall register an applicant who meets the requirements of this subchapter.

A registration is valid for one year from the date of issuance.

Sec 1302.506. RENEWAL  $\mathsf{OF}$ REGISTRATION. Τo renew a

registration, a registered technician must:
(1) submit a renewal request on a form prescribed by

the executive director;

(2) provide the name and license number of each air conditioning and refrigeration contractor who will supervise the registered technician; and

(3) pay the required renewal fee.

Sec. 1302.507. CERTIFIED TECHNICIAN. A registered technician may be certified by the department and use the designation "certified technician" if the registered technician:

(1) completes an application for certification on a

form prescribed by the executive director;

pays the application fee; and

 $\frac{\overline{(3)}}{(3)}$ provides the department with proof that technician successfully completed a nationally recognized and administered certification examination or another examination of equal or greater difficulty approved by department.

SECTION 7. Not later than December 31, 2005, the executive director of the Texas Department of Licensing and Regulation shall adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act.

SECTION 8. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2005.

Sections 1302.501 and 1302.503, Occupations Code, added by this Act, take effect June 30, 2006.

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## FAVORABLY AS SUBSTITUTED SENATE COMMITTEE REPORT ON

SCR SJR SR HB HCR HJR

| By   | Ca                      | rona                   |  | *****              |   |
|--|-------------------------|------------------------|--|--------------------|---|
| ·  | (4-50                   | Author/Senate Sponsor) |  |                    |   |
|  | - Ch                    | (date)                 |  |                    |   |
|  |                         |                        |  |                    |   |
| DUGINE   | 7 ANTD (                |                        |  |                    |   |
| We, your Committee on BUSINES:   | SAND                    | COMMERCE               | , to which was r                                 | eferred the attacl | hed measure,                            |
| have on March 31,2005 (date of hearing)  | , ]                     | had the same under     | consideration a                                  | and I am instruct  | ed to report it                         |
| back with the recommendation (s) that it:  |                         |                        |  |                    |   |
| do pass as substituted, and be printed  () the caption remained the same as of  () the caption changed with adoption | riginal m<br>of the sul | easure<br>ostitute     |  |                    |   |
| ( ) do pass as substituted, and be ordered $\boldsymbol{n}$  | not print               | ed                     |  |                    |   |
| ( and is recommended for placement on  | the Local               | and Uncontested I      | Bills Calendar.                                  |                    |   |
| A fiscal note was requested.   | (Yyes                   | ( ) no                 |  |                    |   |
| A revised fiscal note was requested.   | (yes                    | ( ) no                 |  |                    |   |
| An actuarial analysis was requested.   | () yes                  | (Vno                   |  |                    |   |
| Considered by subcommittee.  | () yes                  | () no                  |  |                    |   |
| The measure was reported from Committee  | e by the f              | ollowing vote:         |  |                    |   |
|  |                         | YEA                    | NAY  | ABSENT             | PNV                                     |
| Senator Troy Fraser, Chairman  |                         |                        |  |                    |   |
| Senator Kip Averitt, Vice-Chairman   |                         |                        |  |                    |   |
| Senator Ken Armbrister   |                         |                        |  |                    |   |
| Senator Kim Brimer   |                         |                        |  |                    | *************************************** |
| Senator John Carona  |                         |                        |  |                    |   |
| Senator Kevin Eltife   |                         |                        |  |                    |   |
| Senator Craig Estes  |                         |                        |  |                    |   |
| Senator Eddie Lucio  |                         |                        |  |                    |   |
| Senator Leticia Van de Putte   |                         |                        |  |                    |   |
|  |                         |                        |  |                    |   |
| TOTAL VOTES  |                         | 9                      |  |                    |   |
|  | COM                     | MITTEE ACTION          | J  |                    |   |
| S260 Considered in public hearing  |                         |                        |  |                    |   |
| S270 Testimony taken   |                         |                        | <b>1</b>   |                    |   |
| Jak Dak  |                         |                        | 60   | 10.4               |   |
| COMMITTEE CLERK  | <del> </del>            | CHAIRMAN               | <del>-                                    </del> |                    |   |

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute Retain one copy of this form for Committee files

## WITNESS LIST

SB 686

SENATE COMMITTEE REPORT

**Business & Commerce** 

March 31, 2005 - 9:00AM

Registering, but not testifying:

For: Arabie, Joseph R (Texas AFL-CIO), Austin, TX

Fuelberg, Curtis (Associated Plumbing Heating Cooling Contractors of Texas),

Austin, TX

Granger, Brian (Texas Pipe Trades), Beaumont, TX

Jamail, Allan R. (Texas-Oklahoma Pipe Trades Association), Houston, TX Jamail, Linda (Texas-Oklahoma Pipe Trades Association), Houston, TX

Lord, Rick (Texas Pipe Trades), Houston, TX

Noble, Shannon (Air Conditioning Contractors of America - Texas), Austin, TX

On: Hill, Jeffry (Texas Department of Licensing and Regulation), Austin, TX

#### **BILL ANALYSIS**

Senate Research Center 79R11025 MSE-F

C.S.S.B. 686
By: Carona
Business & Commerce
4/2/2005
Committee Report (Substituted)

## **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Current law requires a person to have three years of air conditioning technician experience in order to qualify for a heating, ventilation, air conditioning, and refrigeration (HVACR) license. However, there is no mechanism for the Texas Department of Licensing and Regulation (department) to verify the length of time a technician has been engaged in the HVACR industry.

C.S.S.B. 686 requires air conditioning technicians to register annually with the department. Technicians will receive an identification card noting their status as a registered HVACR technician. In addition, C.S.S.B. 686 requires the department to conduct criminal background checks of all technicians who register, at the time of initial registration, and annually as registrations are renewed. This legislation will bring the HVACR industry more in line with the recognized structures of other trades such as plumbing and electrical contractors.

## **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Texas Department of Licensing and Regulation in SECTION 2 (Section 1302.502, Occupations Code) of this bill.

## SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1302.002, Occupations Code, by adding Subdivisions (5-a), (5-b), and (17) to define "air conditioning and refrigeration technician," "certified technician," and "registered technician."

SECTION 2. Amends Section 1302.101, Occupations Code, by adding Subsection (e), to authorize the Texas Department of Licensing and Regulation (department) to examine any criminal conviction, guilty plea, or deferred adjudication of an applicant for issuance or renewal of a license, including by obtaining any criminal history record information permitted by law.

SECTION 3. Amends Section 1302.263, Occupations Code, as follows:

Sec. 1302.263. New heading: LIMITATION ON LICENSE HOLDER OR REGISTERED TECHNICIAN. Prohibits a person licensed under this chapter from using the services of a person who is not a registered technician to assist in the performance of air conditioning and refrigeration maintenance work.

SECTION 4. Amends Section 1302.401(a), Occupations Code, to provide that a person is subject to the denial of an application, imposition of an administrative penalty under Subchapter F (Administrative Penalty), Chapter 51, or disciplinary action under Section 51.353 (Administrative Sanctions) if the person commits certain violations.

SECTION 5. Amends Section 1302.402, Occupations Code, to specify that a proceeding for the denial of a license or registration application or disciplinary action and an appeal from that proceeding are governed by Chapter 2001 (Administrative Procedure), Government Code.

SECTION 6. Amends Chapter 1302, Occupations Code, by adding Subchapter K, as follows:

SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS

- Sec. 1302.501. REGISTRATION REQUIRED. Prohibits a person from acting or offering to act as an air conditioning and refrigeration technician unless the person is registered under this subchapter. Provides that a certificate is valid throughout the state.
- Sec. 1302.502. RULES. Requires the executive director of the Texas Department of Licensing and Regulation (executive director) to adopt certain rules relating to registered technicians and license holders under this subhyhhhhchapter.
- Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS. (a) Requires an air conditioning and refrigeration technician to be supervised by an air conditioning and refrigeration contractor licensed under this chapter.
  - (b) Requires a supervising air conditioning and refrigeration contractor to notify the department in writing not later than the 30th day after the date on which the contractor begins supervising a registered technician
  - (c) Requires an air conditioning and refrigeration contractor to notify the department of the name and registration number of any registered technician for whom the contractor provided notice under Subsection (b) that the contractor no longer supervises on each application for renewal of the contractor's license.
- Sec. 1302.504. APPLICATION; FEE. (a) Requires an applicant for a certificate to submit an application on a form prescribed by the executive director.
  - (b) Requires the completed application to be accompanied by an application fee and certain information about the supervising contractor.
- Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. Requires the department, on receipt of a complete application, to register an applicant who meets the requirements of the subchapter. Provides that a registration is valid for one year.
- Sec. 1302.506. RENEWAL OF REGISTRATION. Requires a registered technician to complete certain steps in order to renew a registration.
- Sec. 1302.507. CERTIFIED TECHNICIAN. Authorizes a registered technician to be certified by the department and use the designation "certified technician" if the registered technician meets certain requirements.
- SECTION 3. Requires the executive director to adopt rules implementing Subchapter K, Chapter 1302, Occupations Code, as added by this Act, not later than December 31, 2005.
- SECTION 4. Effective date: September 1, 2005, excepting Sections 1302.501 and 1302.503, Occupations Code, which take effect June 30, 2006.

# LEGISLATIVE BUDGET BOARD Austin, Texas

#### FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

#### **April 5, 2005**

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB686 by Carona (relating to the regulation of air conditioning and refrigeration technicians; providing an administrative penalty.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB686, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

## General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2006        | \$0  |
| 2007        | \$0  |
| 2008        | \$0  |
| 2009        | \$0  |
| 2010        | \$0  |

## All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/<br>(Loss) from<br>GENERAL REVENUE<br>FUND<br>1 | Probable (Cost) from<br>GENERAL REVENUE<br>FUND<br>1 | Change in Number of State<br>Employees from FY 2005 |
|-------------|---|--|---|
| 2006        | \$776,590   | (\$776,590)  | 12.5  |
| 2007        | \$705,254   | (\$705,254)  | 12.5  |
| 2008        | \$705,254   | (\$705,254)  | 12.5  |
| 2009        | \$705,254   | (\$705,254)  | 12.5  |
| 2010        | \$705,254   | (\$705,254)  | 12.5  |

## Fiscal Analysis

The provisions of the bill require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually air conditioning and refrigeration service and repair technicians that assist air conditioning and refrigeration contractors in performing air conditioning and refrigeration maintenance work. The bill requires an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2005. Sections 1302.501 and 1302.503, Occupations Code take effect June 30, 2006.

#### Methodology

It is assumed that TDLR would set fees as necessary to offset the costs of implementing the provisions of the bill.

It is estimated that TDLR would need an additional 12.5 Full-time Equivalents (FTE) each year and \$776,590 in fiscal year 2006 and \$705,254 in fiscal year 2006 for registration and enforcement of air conditioning and refrigeration technicians. (\$559,504 salaries and benefits, \$12,000 for travel, \$18,750 for other operating costs each fiscal year and one-time costs of \$76,336 for equipment in fiscal year 2006).

TDLR estimates it would need the following FTEs:

- 2 FTE Administrative Assistants III for data entry, to review and approve applications, run and review Department of Public Safety reports, and disseminate correspondence related to the issuance of registrations,
- 1.5 FTE Administrative Assistants III to answer inquiries via phone, email and in person to disseminate information regarding law, rules, registration and enforcement processes,
- 2 FTE Legal Assistants II to perform initial review of complaints to determine departmental jurisdiction through correspondence with respondents and complainants, data entry complaint information, and answer inquiries related to the enforcement issues. They would also review criminal background checks to determine if the registration should be denied,
- 0.5 FTE Legal Assistant III would review and process complaints, prepare pleadings, and assist a prosecutor at hearings,
- 2 FTE Investigators IV would investigate complaints by documenting facts of the complaints and testifying at hearings,
- 2 FTE Accountants II to balance and post fees, prepare and data entry into the Uniform Statewide Accounting System the fees submitted with registration applications and to receive payments at cashier window,
- 1.5 FTE Administrative Assistants II (mail room) would open and date stamp incoming mail, sort non-money mail by division and distribute to the Licensing, Enforcement and other divisions, restrictively endorse money receipts, assign receipt numbers, data enter into cash receipts system to process money sent with applications or as enforcement penalty payments, and
- 1 FTE Program Specialist V would be needed to provide code interpretations, to testify as expert witness at hearings, and to work with the regulated industry.

Is is estimated any additional FTEs needed would be absorbed by current air conditioning program staff within TDLR.

TDLR estimates additional TexasOnline fees of \$5 for each new and renewal license application through the internet (\$110,000 in fiscal year 2006 and \$115,000 in fiscal year 2007).

TDLR estimates the following changes to its performance measures:

The Number of New Licenses Issued to Individuals will increase 22,000 in fiscal year 2006 and 9,000 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 14,000 in fiscal year 2007 and subsequent years.

The Number of Administrative Hearings will increase by 60 in fiscal year 2006 and 55 in subsequent years.

## **Technology**

It is estimated TDLR would need \$31,500 for the purchase of computers and related equipment in fiscal year 2006.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, DE

# LEGISLATIVE BUDGET BOARD Austin, Texas

## FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

#### March 30, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB686 by Carona (Relating to the regulation of air conditioning and refrigeration technicians.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB686, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

## General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |  |  |
|-------------|--|--|--|
| 2006        | \$0  |  |  |
| 2007        | \$0  |  |  |
| 2008        | \$0  |  |  |
| 2009        | \$0  |  |  |
| 2010        | \$0  |  |  |

## All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/<br>(Loss) from<br>GENERAL REVENUE<br>FUND<br>1 | Probable (Cost) from<br>GENERAL REVENUE<br>FUND<br>1 | Change in Number of State<br>Employees from FY 2005 |
|-------------|---|--|---|
| 2006        | \$932,655   | (\$932,655)  | 14.5  |
| 2007        | \$849,105   | (\$849,105)  | 14.5  |
| 2008        | \$849,105   | (\$849,105)  | 14.5  |
| 2009        | \$849,105   | (\$849,105)  | 14.5  |
| 2010        | \$849,105   | (\$849,105)  | 14.5  |

## Fiscal Analysis

The provisions of the bill require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually air conditioning and refrigeration service and repair technicians that assist air conditioning and refrigeration contractors in performing air conditioning and refrigeration maintenance work.

The provisions of the bill require an application fee for a new and renewal air conditioning and refrigeration technician certificate of registration.

Other than the following sections, the bill takes effect September 1, 2005. Sections 1302.501 and 1302.503, Occupations Code take effect June 30, 2006.

## Methodology

It is assumed that TDLR would set fees as necessary to offset the costs of implementing the provisions of the bill. TDLR indicates that enforcement for this new registration population would be applicable.

According to TDLR, it would need an additional 14.5 Full-time Equivalents (FTE) each year and \$932,645 in fiscal year 2006 and \$849,105 in fiscal year 2006 for registration and enforcement of air conditioning and refrigeration technicians. (\$700,355 salaries and benefits, \$12,000 for travel, \$21,750 for other operating costs each fiscal year and one-time costs of \$88,550 for equipment in fiscal year 2006)

TDLR estimates it would need the following FTEs:

- 2 FTE Administrative Assistants III for data entry, to review and approve applications, run and review Department of Public Safety reports, and disseminate correspondence related to the issuance of registrations,
- 1.5 FTE Administrative Assistants III to answer inquiries via phone, email and in person to disseminate information regarding law, rules, registration and enforcement processes,
- 2 FTE Legal Assistants II to perform initial review of complaints to determine departmental jurisdiction through correspondence with respondents and complainants, data entry complaint information, and answer inquiries related to the enforcement issues. They would also review criminal background checks to determine if the registration should be denied,
- 0.5 FTE Legal Assistants III would review and process complaints, prepare pleadings, and assist a prosecutor at hearings,
- 2 FTE Investigator IV would investigate complaints by documenting facts of the complaints and testify at hearings,
- 1 FTE Attorney IV (Prosecutor) would review and resolve complaints through negotiations and/or at hearings and writes rules,
- 2 FTE Accountants II to balance and post fees, prepare and data entry into the Uniform Statewide Accounting System the fees submitted with registration applications and to receive payments at cashier window,
- 1.5 FTE Administrative Assistants II (mail room) would open and date stamp incoming mail, sort non-money mail by division and distribute to the Licensing, Enforcement and other divisions, restrictively endorse money receipts, assign receipt numbers, data enter into cash receipts system to process money sent with applications or as enforcement penalty payments,
- $0.5\ \mathrm{FTE}$  Systems Analyst III would write and maintain computer program for registration of applicants,
- 0.5 FTE Network Specialist III to maintain computer network for registration, customer service, and enforcement personnel required, and
- 1 FTE Program Specialist V would be needed to provide code interpretations, to testify as expert witness at hearings, and to work with the regulated industry.
- TDLR estimates additional TexasOnline fees of \$5 for each new and renewal license applications through the internet (\$110,000 in fiscal year 2006 and \$115,000 in fiscal year 2007).

TDLR estimates the following changes to its performance measures:

The Number of New Licenses Issued to Individuals will increase 22,000 in fiscal year 2006 and 9,000 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 14,000 in fiscal year 2007 and subsequent years.

The Number of Administrative Hearings will increase by 60 in fiscal year 2006 and 55 in subsequent years.

## **Technology**

TDLR estimates needing \$36,350 for the purchase of computers and related equipment in fiscal year 2006.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, DE

# REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR CHRIS HARRIS, CHAIRMAN SENATE COMMITTEE ON ADMINISTRATION

| Notice is hereby given that    | 28686                  | $\underline{\hspace{0.1cm}}$ , by Carc | ng                         |       |
|--------------------------------|------------------------|--|----------------------------|-------|
|                                | (Bill No.)             |  | (Author/Sponsor)           | ,     |
| was heard by the Committee or  | Business and           | Commerce                               | on March 31                | ,2005 |
| and reported out with the reco | ommendation that it be | e placed on the Loca                   | al and Uncontested Calend  | lar.  |
|                                |                        | - WOVF                                 | Bake                       |       |
|                                |                        | (Clerk d                               | of the reporting committee | (د    |

IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A **COMMITTEE PRINTED VERSION** OF THE BILL OR RESOLUTION AND SHOULD BE DELIVERED TO THE ADMINISTRATION COMMITTEE OFFICE, E1.714. DEADLINES FOR SUBMITTING BILLS AND RESOLUTIONS WILL BE ANNOUNCED ON A REGULAR BASIS.

# **ADOPTED**

APR 1 4 2005

Secretary of the Senate

By: Substitute the following for S.B. No. 186.

Ry: C.S.S.B. No. 188e

|    | A BILL TO BE ENTITLED   |
|----|---|
| 1  | AN ACT  |
| 2  | relating to the regulation of air conditioning and refrigeration        |
| 3  | technicians; providing an administrative penalty.                       |
| 4  | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:                 |
| 5  | SECTION 1. Section 1302.002, Occupations Code, is amended               |
| 6  | by adding Subdivisions (5-a), (5-b), and (17) to read as follows:       |
| 7  | (5-a) "Air conditioning and refrigeration technician"                   |
| 8  | means a person who assists a licensed air conditioning and              |
| 9  | refrigeration contractor in performing air conditioning and             |
| 10 | refrigeration maintenance work.   |
| 11 | (5-b) "Certified technician" means a registered                         |
| 12 | technician who has completed a certification examination.               |
| 13 | (17) "Registered technician" means a technician who is                  |
| 14 | registered with the department.   |
| 15 | SECTION 2. Section 1302.101, Occupations Code, is amended               |
| 16 | by adding Subsection (e) to read as follows:                            |
| 17 | (e) The department may examine any criminal conviction,                 |
| 18 | guilty plea, or deferred adjudication of an applicant for issuance      |
| 19 | or renewal of a license, including by obtaining any criminal            |
| 20 | history record information permitted by law.                            |
| 21 | SECTION 3. Section 1302.263, Occupations Code, is amended               |
| 22 | to read as follows:   |
| 23 | Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED               |
| 24 | TECHNICIAN. A person licensed under this chapter may not: $\frac{1}{2}$ |

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4-6-05 W 4-13-05 Be

- 1  $\underline{\text{(1)}}$  perform or offer or attempt to perform an act,
- 2 service, or function that is:
- 3 (A)  $[\frac{1}{1}]$  defined as the practice of engineering
- 4 under Chapter 1001, unless the person holds a license under that
- 5 chapter;
- 6 (B) [<del>(2)</del>] regulated under Chapter 113, Natural
- 7 Resources Code, unless the person holds a license or is exempt by
- 8 rule under that chapter; or
- 9 (C) [<del>(3)</del>] defined as plumbing under Chapter
- 10 1301, unless the person holds a license under that chapter; or
- 11 (2) use the services of a person who is not a
- 12 registered technician to assist in the performance of air
- conditioning and refrigeration maintenance work.
- Subsection (a),

  SECTION 4. Section 1302.401(a), Occupations Code, is
- 15 amended to read as follows:
- 16 (a) A person is subject to the denial of an application,
- 17 Timposition of an administrative penalty under Subchapter F, Chapter
- 18 51, or disciplinary action under Section 51.353 if the person:
- 19 (1) violates this chapter or a rule adopted under this
- 20 chapter; or
- (2) violates [is convicted of an offense under] a
- 22 municipal ordinance adopted under Section 1302.303.
- SECTION 5. Section 1302.402, Occupations Code, is amended
- 24 to read as follows:
- Sec. 1302.402. ADMINISTRATIVE PROCEDURES. A proceeding for
- 26 the denial of a license or registration application or disciplinary
- 27 action and an appeal from that proceeding are governed by Chapter  $rac{\gamma}{3}$

- 1 2001, Government Code.
- 2 SECTION 6. Chapter 1302, Occupations Code, is amended by
- 3 adding Subchapter K to read as follows:
- SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS 4
- 5 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may not
- act or offer to act as an air conditioning and refrigeration 6
- 7 technician unless the person is registered under this subchapter.
- 8 (b) A registration is valid throughout the state.
- Sec. 1302.502. RULES. The executive director shall adopt 9
- 10 rules:
- 11 (1) registering technicians as prescribed by this
- 12 subchapter;
- 13 (2) adopting standards of conduct for registered
- 14 technicians and license holders under this subchapter; and
- (3) establishing fees for issuance and renewal of a 15
- 16 registration.
- 17 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.
- (a) An air conditioning and refrigeration technician must be 18
- 19 supervised by an air conditioning and refrigeration contractor
- 20 licensed under this chapter.
- 21 (b) A supervising air conditioning and refrigeration
- 22 contractor shall notify the department in writing not later than
- 23 the 30th day after the date on which the contractor begins
- supervising a registered technician. 24
- 25 (c) An air conditioning and refrigeration contractor must
- 26 notify the department of the name and registration number of any
- registered technician for whom the contractor provided notice under 27

- 1 Subsection (b) that the contractor no longer supervises on each
- 2 application for renewal of the contractor's license.
- 3 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for
- 4 registration must submit an application on a form prescribed by the
- 5 executive director.
- 6 (b) The completed application must be accompanied by:
- 7 (1) the application fee; and
- 8 (2) the name and license number of each air
- 9 conditioning and refrigeration contractor who will supervise the
- 10 applicant.
- 11 Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On
- 12 receipt of a completed application, the department shall register
- an applicant who meets the requirements of this subchapter.
- (b) A registration is valid for one year from the date of
- 15 issuance.
- 16 Sec. 1302.506. RENEWAL OF REGISTRATION. To renew a
- 17 registration, a registered technician must:
- 18 (1) submit a renewal request on a form prescribed by
- 19 the executive director;
- 20 (2) provide the name and license number of each air
- 21 conditioning and refrigeration contractor who will supervise the
- 22 registered technician; and
- 23 (3) pay the required renewal fee.
- Sec. 1302.507. CERTIFIED TECHNICIAN. A registered
- 25 technician may be certified by the department and use the
- designation "certified technician" if the registered technician:
- 27 (1) completes an application for certification on a

- form prescribed by the executive director;
- 2 (2) pays the application fee; and
- 3 (3) provides the department with proof that the
- 4 registered technician successfully completed a nationally
- 5 recognized and administered certification examination or another
- 6 examination of equal or greater difficulty approved by the
- 7 <u>department</u>.
- 8 SECTION 7. Not later than December 31, 2005, the executive
- 9 director of the Texas Department of Licensing and Regulation shall
- 10 adopt rules implementing Subchapter K, Chapter 1302, Occupations
- 11 Code, as added by this Act.
- 12 SECTION 8. (a) Except as provided by Subsection (b) of this
- 13 section, this Act takes effect September 1, 2005.
- 14 (b) Sections 1302.501 and 1302.503, Occupations Code, as
- added by this Act, take effect June 30, 2006.

Engrossed <u>Cypul 14, 2005</u>

<u>Mardi Alexand</u>

Engrossing Clerk

By: Carona

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S.B. No. 686

#### A BILL TO BE ENTITLED

AN ACT

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|---|----------|-----------|--------------------|-----|-------|----------|--------------|

- 2 relating to the regulation of air conditioning and refrigeration
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

technicians; providing an administrative penalty.

- 5 SECTION 1. Section 1302.002, Occupations Code, is amended
- 6 by adding Subdivisions (5-a), (5-b), and (17) to read as follows:
- 7 (5-a) "Air conditioning and refrigeration technician"
- 8 means a person who assists a licensed air conditioning and
- 9 refrigeration contractor in performing air conditioning and
- 10 refrigeration maintenance work.
- 11 (5-b) "Certified technician" means a registered
- 12 <u>technician who has completed a certification examination.</u>
- 13 (17) "Registered technician" means a technician who is
- 14 registered with the department.
- SECTION 2. Section 1302.101, Occupations Code, is amended
- 16 by adding Subsection (e) to read as follows:
- (e) The department may examine any criminal conviction,
- 18 guilty plea, or deferred adjudication of an applicant for issuance
- 19 or renewal of a license, including by obtaining any criminal
- 20 history record information permitted by law.
- 21 SECTION 3. Section 1302.263, Occupations Code, is amended
- 22 to read as follows:
- 23 Sec. 1302.263. LIMITATION ON LICENSE HOLDER OR REGISTERED
- 24 <u>TECHNICIAN</u>. A person licensed under this chapter may not:

- 1 (1) perform or offer or attempt to perform an act,
- 2 service, or function that is:
- (A) [(1)] defined as the practice of engineering
- 4 under Chapter 1001, unless the person holds a license under that
- 5 chapter;
- 6 (B) [<del>(2)</del>] regulated under Chapter 113, Natural
- 7 Resources Code, unless the person holds a license or is exempt by
- 8 rule under that chapter; or
- 9 (C) [(3)] defined as plumbing under Chapter
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- 12 registered technician to assist in the performance of air
- 13 conditioning and refrigeration maintenance work.
- 14 SECTION 4. Subsection (a), Section 1302.401, Occupations
- 15 Code, is amended to read as follows:
- 16 (a) A person is subject to the denial of an application, the
- imposition of an administrative penalty under Subchapter F, Chapter
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- 27 action and an appeal from that proceeding are governed by Chapter

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- 4 SUBCHAPTER K. AIR CONDITIONING AND REFRIGERATION TECHNICIANS
- 5 Sec. 1302.501. REGISTRATION REQUIRED. (a) A person may
- 6 not act or offer to act as an air conditioning and refrigeration
- 7 technician unless the person is registered under this subchapter.
- 8 (b) A registration is valid throughout the state.
- 9 Sec. 1302.502. RULES. The executive director shall adopt
- 10 rules:
- 11 (1) registering technicians as prescribed by this
- 12 <u>subchapter;</u>
- (2) adopting standards of conduct for registered
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- 15 (3) establishing fees for issuance and renewal of a
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- 17 Sec. 1302.503. SUPERVISION REQUIREMENTS FOR REGISTRANTS.
- 18 (a) An air conditioning and refrigeration technician must be
- 19 supervised by an air conditioning and refrigeration contractor
- 20 licensed under this chapter.
- 21 (b) A supervising air conditioning and refrigeration
- 22 <u>contractor shall notify the department in writing not later than</u>
- 23 the 30th day after the date on which the contractor begins
- 24 supervising a registered technician.
- 25 (c) An air conditioning and refrigeration contractor must
- 26 notify the department of the name and registration number of any
- 27 registered technician for whom the contractor provided notice under

- 1 Subsection (b) that the contractor no longer supervises on each
- 2 application for renewal of the contractor's license.
- 3 Sec. 1302.504. APPLICATION; FEE. (a) An applicant for
- 4 registration must submit an application on a form prescribed by the
- 5 executive director.
- 6 (b) The completed application must be accompanied by:
- 7 (1) the application fee; and
- 8 (2) the name and license number of each air
- 9 conditioning and refrigeration contractor who will supervise the
- 10 applicant.
- Sec. 1302.505. ISSUANCE AND TERM OF REGISTRATION. (a) On
- 12 receipt of a completed application, the department shall register
- an applicant who meets the requirements of this subchapter.
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- 15 issuance.
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- 22 registered technician; and
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- (1) completes an application for certification on a

- form prescribed by the executive director;
- 2 (2) pays the application fee; and
- 3 (3) provides the department with proof that the
- 4 registered technician successfully completed a nationally
- 5 recognized and administered certification examination or another
- 6 examination of equal or greater difficulty approved by the
- 7 department.
- 8 SECTION 7. Not later than December 31, 2005, the executive
- 9 director of the Texas Department of Licensing and Regulation shall
- 10 adopt rules implementing Subchapter K, Chapter 1302, Occupations
- 11 Code, as added by this Act.
- 12 SECTION 8. (a) Except as provided by Subsection (b) of
- 13 this section, this Act takes effect September 1, 2005.
- 14 (b) Sections 1302.501 and 1302.503, Occupations Code, as
- added by this Act, take effect June 30, 2006.

# LEGISLATIVE BUDGET BOARD Austin, Texas

## FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

## **April 5, 2005**

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB686 by Carona (relating to the regulation of air conditioning and refrigeration technicians; providing an administrative penalty.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB686, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

## General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |  |  |
|-------------|--|--|--|
| 2006        | \$0  |  |  |
| 2007        | \$0  |  |  |
| 2008        | \$0  |  |  |
| 2009        | \$0  |  |  |
| 2010        | \$0  |  |  |

#### All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/<br>(Loss) from<br>GENERAL REVENUE<br>FUND<br>1 | Probable (Cost) from<br>GENERAL REVENUE<br>FUND<br>1 | Change in Number of State<br>Employees from FY 2005 |
|-------------|---|--|---|
| 2006        | \$776,590   | (\$776,590)  | 12.5  |
| 2007        | \$705,254   | (\$705,254)  | 12.5  |
| 2008        | \$705,254   | (\$705,254)  | 12.5  |
| 2009        | \$705,254   | (\$705,254)  | 12.5  |
| 2010        | \$705,254   | (\$705,254)  | 12.5  |

## Fiscal Analysis

The provisions of the bill require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually air conditioning and refrigeration service and repair technicians that assist air conditioning and refrigeration contractors in performing air conditioning and refrigeration maintenance work. The bill requires an application fee for a new and renewal air conditioning and refrigeration technician registration.

Other than the following sections, the bill takes effect September 1, 2005. Sections 1302.501 and 1302.503, Occupations Code take effect June 30, 2006.

## Methodology

It is assumed that TDLR would set fees as necessary to offset the costs of implementing the provisions of the bill.

It is estimated that TDLR would need an additional 12.5 Full-time Equivalents (FTE) each year and \$776,590 in fiscal year 2006 and \$705,254 in fiscal year 2006 for registration and enforcement of air conditioning and refrigeration technicians. (\$559,504 salaries and benefits, \$12,000 for travel, \$18,750 for other operating costs each fiscal year and one-time costs of \$76,336 for equipment in fiscal year 2006).

TDLR estimates it would need the following FTEs:

- 2 FTE Administrative Assistants III for data entry, to review and approve applications, run and review Department of Public Safety reports, and disseminate correspondence related to the issuance of registrations,
- 1.5 FTE Administrative Assistants III to answer inquiries via phone, email and in person to disseminate information regarding law, rules, registration and enforcement processes,
- 2 FTE Legal Assistants II to perform initial review of complaints to determine departmental jurisdiction through correspondence with respondents and complainants, data entry complaint information, and answer inquiries related to the enforcement issues. They would also review criminal background checks to determine if the registration should be denied,
- 0.5 FTE Legal Assistant III would review and process complaints, prepare pleadings, and assist a prosecutor at hearings,
- 2 FTE Investigators IV would investigate complaints by documenting facts of the complaints and testifying at hearings,
- 2 FTE Accountants II to balance and post fees, prepare and data entry into the Uniform Statewide Accounting System the fees submitted with registration applications and to receive payments at cashier window,
- 1.5 FTE Administrative Assistants II (mail room) would open and date stamp incoming mail, sort non-money mail by division and distribute to the Licensing, Enforcement and other divisions, restrictively endorse money receipts, assign receipt numbers, data enter into cash receipts system to process money sent with applications or as enforcement penalty payments, and
- 1 FTE Program Specialist V would be needed to provide code interpretations, to testify as expert witness at hearings, and to work with the regulated industry.

Is is estimated any additional FTEs needed would be absorbed by current air conditioning program staff within TDLR.

TDLR estimates additional TexasOnline fees of \$5 for each new and renewal license application through the internet (\$110,000 in fiscal year 2006 and \$115,000 in fiscal year 2007).

TDLR estimates the following changes to its performance measures:

The Number of New Licenses Issued to Individuals will increase 22,000 in fiscal year 2006 and 9,000 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 14,000 in fiscal year 2007 and subsequent years.

The Number of Administrative Hearings will increase by 60 in fiscal year 2006 and 55 in subsequent years.

## Technology

It is estimated TDLR would need \$31,500 for the purchase of computers and related equipment in fiscal year 2006.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, DE

# LEGISLATIVE BUDGET BOARD Austin, Texas

## FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

## March 30, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB686 by Carona (Relating to the regulation of air conditioning and refrigeration technicians.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB686. As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

## General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2006        | \$0  |
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## All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/<br>(Loss) from<br>GENERAL REVENUE<br>FUND<br>1 | Probable (Cost) from<br>GENERAL REVENUE<br>FUND<br>1 | Change in Number of State<br>Employees from FY 2005 |
|-------------|---|--|---|
| 2006        | \$932,655   | (\$932,655)  | 14.5  |
| 2007        | \$849,105   | (\$849,105)  | 14.5  |
| 2008        | \$849,105   | (\$849,105)  | 14.5  |
| 2009        | \$849,105   | (\$849,105)  | 14.5  |
| 2010        | \$849,105   | (\$849,105)  | 14.5  |

## Fiscal Analysis

The provisions of the bill require the Texas Department of Licensing and Regulation (TDLR) to register and renew annually air conditioning and refrigeration service and repair technicians that assist air conditioning and refrigeration contractors in performing air conditioning and refrigeration maintenance work.

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#### Methodology

It is assumed that TDLR would set fees as necessary to offset the costs of implementing the provisions of the bill. TDLR indicates that enforcment for this new registration population would be applicable.

According to TDLR, it would need an additional 14.5 Full-time Equivalents (FTE) each year and \$932,645 in fiscal year 2006 and \$849,105 in fiscal year 2006 for registration and enforcement of air conditioning and refrigeration technicians. (\$700,355 salaries and benefits, \$12,000 for travel, \$21,750 for other operating costs each fiscal year and one-time costs of \$88,550 for equipment in fiscal year 2006)

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- 0.5 FTE Network Specialist III to maintain computer network for registration, customer service, and enforcement personnel required, and
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TDLR estimates the following changes to its performance measures:

The Number of New Licenses Issued to Individuals will increase 22,000 in fiscal year 2006 and 9,000 in subsequent years.

The Number of Licenses Renewed (individuals) will increase by 14,000 in fiscal year 2007 and subsequent years.

The *Number of Administrative Hearings* will increase by 60 in fiscal year 2006 and 55 in subsequent years.

## **Technology**

TDLR estimates needing \$36,350 for the purchase of computers and related equipment in fiscal year 2006.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Department of Licensing and Regulation

LBB Staff: JOB, JRO, DE

| S.B. No. | 686 |
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| By  | Chrona     |      |
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## A BILL TO BE ENTITLED

| AN | IA  | C   | г. |
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| H  | l A | · U |    |

relating to the regulation of air conditioning and refrigeration technicians.

| FEB 2 3 2005       | _ Filed with the Secretary of the Senate   |  |
|--------------------|--|--|
| MAR 0 2 2005       | Read and referred to Committee on  | BUSINESS AND COMMERCE  |
| APR 0 6 2005       | Reported adversally with favorable Committee   | e Substitute; Committee Substitute read first time.  |
| H1 N 0 0. 2003     | <ul><li>Reported adversery, with ravorable Committee</li><li>Ordered not printed</li></ul> | e Substitute; Committee Substitute read first time.  |
| APR 1 4 2005       | Laid before the Senate   | •  |
|                    | Senate and Constitutional Rules to permit co   | onsideration suspended by:  \[ \begin{align*} \text{unanimous consent} \\ \text{unanimous yeas, \text{unany}} \\ \text{nays} \end{align*}  |
| APR 1 4 2005       | Read second time,,   | , and ordered engrossed by:    Second |
| APR 1 4 2005       | Senate and Constitutional 3 Day Rule suspe   | ended by a vote of 3/ yeas, 0 nays.  |
| APR 1 4 2005       | Read third time,   | , and passed by:   A viva voce vote  3 / yeas, O nays  |
|                    | SECRETARY O  | OF THE SENATE  |
| OTHER ACTION       | :  | . "∫a <b>*v</b> ≢  |
| april 14,2005      | Engrossed  |  |
|                    | Sent to House  |  |
| Engrossing Clerk _ | Mardi aleyande   | · .  |
| APR 1 4 2005       | Received from the Senate   | II I GA G G G G G G G G G G G G G G G G  |
| APR 1 8 2005       | Read first time and referred to Committee on   | Licensing & Administrative Procedures  |
|                    | Reportedfavorably (as amended) (as sub   | ostituted)   |
|                    | Sent to Committee on (Calendars) (Local & C  | Consent Calendars)   |
|                    | Read second time (comm. subst.) (amended); pa (record vote of yeas,                        | assed to third reading (failed) by a (non-record vote) nays, present, not voting)  |
|                    | Constitutional rule requiring bills to be read of by a vote of yeas, no                    | on three several days suspended (failed to suspend) ays, present, not voting.  |
|                    | Read third time (amended); finally passed (fair (record vote of yeas,                      |  |
|                    | Returned to Senate.  |  |
|                    |  | CHIEF CLERK OF THE HOUSE   |
| 77.00              | Returned from House without amendment.   |  |
|                    | Returned from House with amendme   | ents.  |

|  | Refused to concur in House amendments and request to adjust the differences. | ed the appointment of a Confe                            | rence Committee |
|--|--|--|-----------------|
| <u> </u>                               | Senate conferees instructed.   |  |                 |
| 100-100 ann                            | Senate conferees appointed:  | , Chairman;  | ·               |
|  | · · · · · · · · · · · · · · · · · · ·  | , and  |                 |
|  | House granted Senate request. House conferees appo                           |  |                 |
|  | Conference Committee Report read and filed with the                          | e Secretary of the Senate.                               | •               |
|  | Conference Committee Report adopted on the part of                           | the House by:  |                 |
|  | Conference Committee Report adopted on the part of                           | re vote  reas, nays  The Senate by:  re vote  reas, nays |                 |
|  |  | reas, nays   |                 |
| OTHER AC                               | CTION:   |  |                 |
|  | Recommitted to Conference Committee  |  |                 |
|  | Conferees discharged.  |  |                 |
| ************************************** | Conference Committee Report failed of adoption by:                           |  |                 |
|  | a viva voc   | e vote   |                 |
|  | <b>■</b> \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\                                | /P36   |                 |